

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

TO: Grain Drying Customers in AmerenCILCO's Service Territory

DATE: January 15, 2004

SUBJECT: Workshop - Calculation of Maximum Daily Nomination for Grain Drying
Transportation Customers

On October 17, 2003, the Illinois Commerce Commission ("Commission") issued a Final Order in Docket No. 02-0837, Central Illinois Light Company's ("CILCO") Proposed General Increase in Natural Gas Rates. One issue in the proceeding dealt with the calculation of a Maximum Daily Nomination ("MDN") for transportation customers. CILCO agreed to, and the Commission adopted, the Staff of the Illinois Commerce Commission's ("Staff") proposed MDN, which is used to calculate the maximum amount of gas that a customer can deliver to CILCO's system on any given day during a month.

Business Energy Alliance and Resources, LLC ("BEAR") intervened on behalf of grain drying customers and recommended, among other things, that grain drying customers be allowed to request and receive a modification to Staff's proposed MDN calculation in order to meet their daily delivery needs. The Commission rejected BEAR's proposal but directed Staff to conduct workshops "...in an effort to develop an MDN provision that better meets grain drying customers' needs without adversely affecting other customers..." (Order, p. 92)

CILCO has worked with Staff to develop MDN provisions that allow grain dryers to meet their daily delivery needs. Originally, Staff envisioned an alternative MDN calculation, but CILCO has agreed to provide grain drying customers with the flexibility to request changes to their MDN rather than force them to adhere to an alternative MDN calculation. CILCO proposes the following tariff language:

Customers may request, in writing by the 5th business day prior to the 1st of the month, a different Maximum Daily Nomination (MDN) quantity for a month. The Company will notify the Customer the following day if, in its sole discretion, the request has been granted.

This language effectively implements the type of MDN flexibility that BEAR recommended in Docket No. 02-0837. However, the Commission's Order still requires that a workshop be held on this matter. Therefore, Staff has scheduled a workshop, as directed by the Commission, on February 10, 2004, from 10 A.M. to Noon, in Hearing Room B, at the Commission's Springfield Office. The address is listed below. You are welcome to attend the workshop if you have questions, concerns, or alternative proposals, for developing an MDN for grain dryers. Please respond on or before January 29, 2004, via e-mail to <mailto:ciannell@icc.state.il.us> if you plan on attending the workshop.

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Once CILCO files the proposed MDN tariff language for grain dryers, the MDN provision will be in effect for the upcoming grain-drying season as long as the Commission does not suspend the filing. Feel free to contact me if you have any questions or concerns pertaining to this matter. I will be out of the office until January 27, 2004. If you have immediate needs, please contact Tom Kennedy at (217) 785-1414.

Sincerely,

Charles C. S. Iannello
Senior Economist
Energy Division - Policy Program
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62701
(217)524-4060